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INDOSUEZ

February 2026

Voting Activity Report



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I. 2025 Retrospective

The 2025 proxy season marked a clear shift toward stronger regulatory influence, heightened political pressure and a renewed focus on core governance issues across global markets. Rather than an expansion of shareholder activism, the year reflected a period of adjustment in which legal frameworks, procedural changes and enforcement increasingly shaped voting outcomes and corporate behaviour.

In the United States, a highly polarised political environment and growing anti-ESG sentiment reduced the number of environmental and social proposals reaching ballots, while investor attention centred on governance fundamentals such as board accountability, executive remuneration and shareholder rights. In Europe, companies continued to adapt to evolving sustainability and disclosure frameworks, but regulatory uncertainty around new rules created a more complex proxy landscape. In Asia, governance progress remained largely driven by regulatory reform, particularly in China and Japan, with engagement continuing to play a role in promoting accountability.

Compared with 2024, which was characterised by rising shareholder activism, strong ESG momentum and increasing volumes of sustainability-related proposals, 2025 reflected a period of recalibration. The focus shifted away from broad ESG-driven engagement toward more constrained, governance-focused and politically influenced voting dynamics across regions.



Key voting statistics

1,257

Number of companies voted

1,665

Number of general meetings attended

19,953

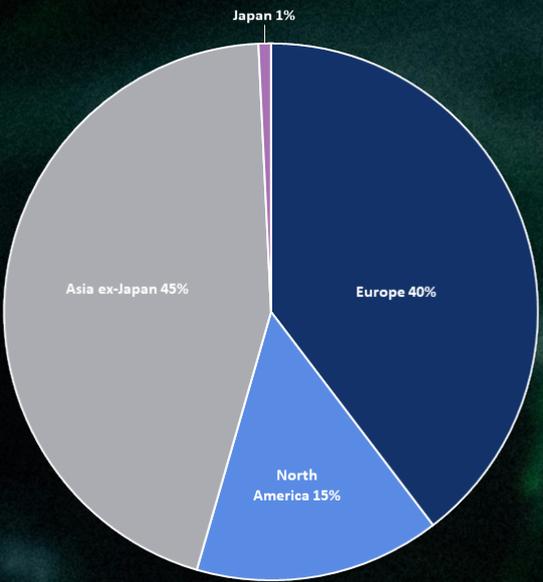
Number of proposals voted

	Management proposals	Shareholders proposals	Total
For %	82.28%	67.64%	82.06%
Against %	11.92%	26.21%	12.14%
Abstain %	5.04%	4.85%	5.04%
Mixed %	0.75%	1.29%	0.76%

	Management proposals	Shareholders proposals	Total
In line with voting guidelines (%)	95.08%	80.91%	94.86%
Case-by-case analysis in line with Voting Policy (%)	4.92%	19.09%	5.14%

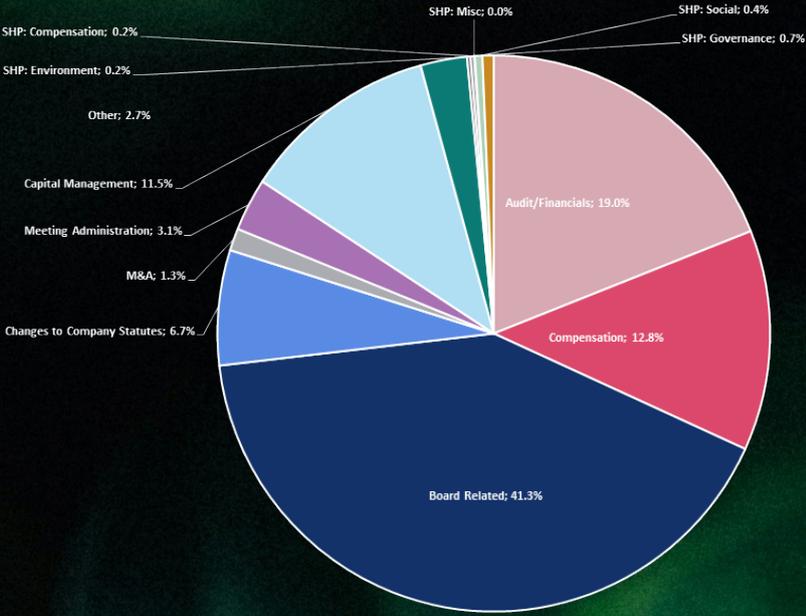


Shareholder meeting participation geographic breakdown



Asia ex-Japan includes: China, Hong Kong, Taiwan, India, South Korea, the Philippines, Singapore.
Source: Glass Lewis, DPAM – 31.12.2025

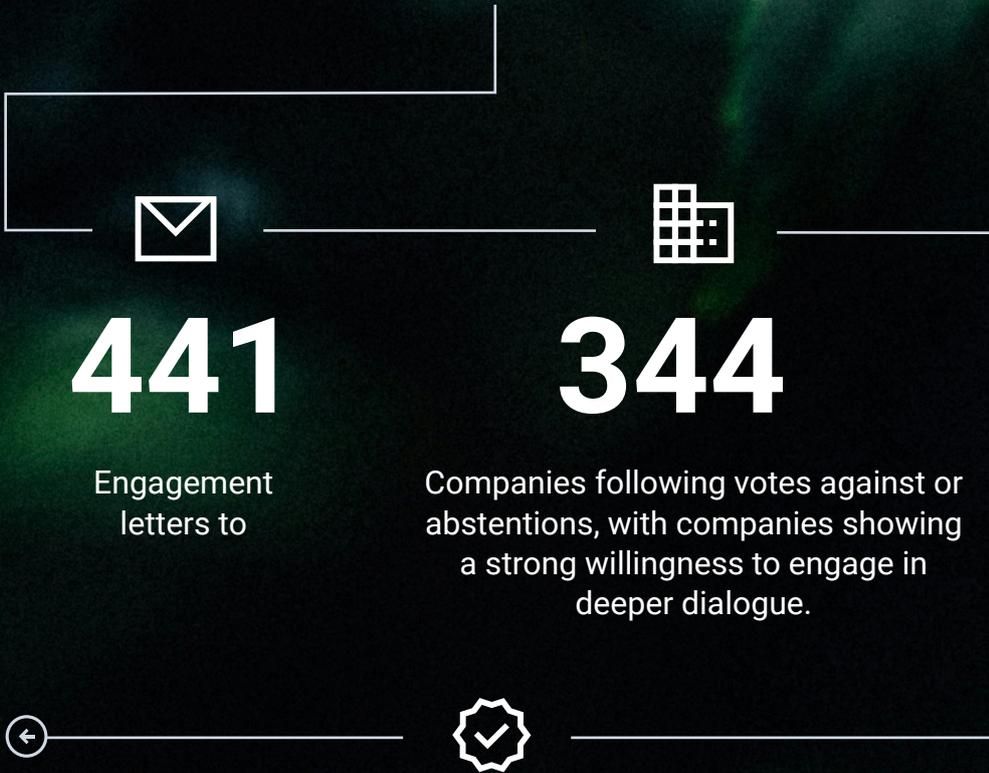
Proposals - breakdown by topic



Source: Glass Lewis, DPAM – 31.12.2025



Stewardship and engagement DPAM sent



These efforts contributed to concrete improvements in governance structures, remuneration transparency and leadership practices at several companies.



Voting activity key highlights 2025

United States

In the United States, the proxy season unfolded in a highly polarised political environment. Legal uncertainty and changes to the shareholder proposal process resulted in fewer environmental and social proposals reaching ballots, while investor focus shifted back to governance fundamentals such as board composition, executive pay and accountability. Anti-ESG proposals increased again but continued to attract minimal support, highlighting the growing politicisation of ESG topics.

Europe

In Europe, the season took place against a backdrop of regulatory adjustment and uncertainty around sustainability frameworks. Despite this, many companies progressed with enhanced sustainability reporting and governance practices. Executive remuneration remained the main area of shareholder opposition, alongside capital management and shareholder rights. Say on Climate votes remained limited in number but received strong support when companies presented credible and transparent transition plans.

Asia

Across Asia, governance developments were largely driven by regulatory reform rather than shareholder activism. China implemented major changes to board structures through legislation, Japan continued its long-term governance transformation with increasing pressure on capital efficiency and board effectiveness, and India saw heightened scrutiny of board independence and executive remuneration.

Outlook 2026

Looking ahead to 2026, voting activity is expected to be increasingly shaped by regulatory enforcement and governance quality rather than by a growing number of shareholder proposals. In the United States, procedural constraints are likely to further limit access to ballots, placing greater emphasis on board oversight. In Europe, stronger application of existing governance standards is expected, particularly around executive pay and board accountability. In Asia, ongoing governance reforms in China and heightened investor pressure in Japan are likely to continue shaping voting outcomes.



Focus on the United States

The 2025 US proxy season took place against a backdrop of political polarisation, legal uncertainty and shifting regulatory signals. These dynamics influenced corporate disclosure practices, the range of issues shareholders could vote on, and how boards approached risk management, accountability and investor engagement.

Unlike previous years, the season was not defined by a rise in shareholder activism. Instead, it reflected a period of adjustment, marked by fewer shareholder proposals, higher procedural barriers, and a renewed investor focus on core governance issues rather than broad ESG initiatives.



Management proposals

A key element shaping the season was the Securities and Exchange Commission's (SEC) climate disclosure framework, finalised in 2024. The rules adopted were a reduced version of earlier proposals. They excluded mandatory Scope 3 emissions reporting and limited Scope 1 and Scope 2 disclosures mainly to larger companies and to cases where emissions were financially significant. Rather than bringing clarity, the rules faced legal challenges from groups arguing that the SEC had gone beyond its legal authority. As a result, enforcement was paused while courts reviewed the rules, extending regulatory uncertainty throughout the 2025 proxy season.

This ongoing uncertainty clearly affected corporate behaviour. Many companies took a more cautious approach not only to climate disclosures, but also to wider sustainability reporting. Firms adjusted wording, narrowed commitments, or delayed changes to reduce legal and political risk.

In this environment, **Say on Climate** votes played a smaller and more debated role than in earlier years. After peaking in 2021 and 2022, the number of US companies putting forward management-sponsored climate votes continued to fall. Several companies that had previously promised regular Say on Climate votes did not return to shareholders in 2025, reflecting the more complex regulatory and legal environment.

Where these Say on Climate votes did take place, investor support was clearly lower than in the early years. Investors often pointed to "proposal fatigue", saying that repeated advisory votes added less value, especially when climate transition plans showed little change from year to year. **DPAM may vote against Say on Climate proposals when companies do not show progress in their climate strategies, based on our own analysis and ongoing discussions with companies.**



In contrast, director elections in 2025 showed focused opposition rather than broad resistance. While most large companies continued to pass director votes easily, failure rates rose among smaller companies, where governance practices and disclosures are often weaker. Investors raised concerns about board independence, skills and experience, lack of diversity, and how well boards oversee risk and performance.

DPAM's voting policy closely reflects these expectations around accountability and transparency. We expect a clear separation between Chair and CEO roles. We also require at least 33% independent directors at controlled companies and 50% at non-controlled companies. Boards should include a diverse mix of backgrounds, relevant skills and experience. These expectations are supported by requirements for at least one-third gender diversity, a transparent and independent nomination process, gradual board renewal, succession planning and regular performance reviews.

At the same time, disclosure trends moved in the opposite direction. **Many US companies reduced the amount of public information on board diversity.** Within the Russell 1000, reporting on board diversity fell sharply in 2025, and fewer companies clearly referred to DEI factors when selecting directors. This created challenges for investors: diversity and board quality remained important, but information became less consistent and more dependent on each company's approach.

Another repeated governance issue during the season involved officer (company executive/management) liability protection. **Proposals asking shareholders to approve broader legal protection for officers continued to increase following changes to some state laws. Although these proposals usually received strong support, DPAM does not support measures that protect officers from personal responsibility for breaches of duty.** If approved, these changes allow certain officers to avoid liability for direct shareholder claims, including group lawsuits, and reduce accountability for poor decision-making. DPAM believes officers should be held to high standards in serving shareholders and that these protections are not in shareholders' interests.

Finally, say-on-pay results remained mostly stable in 2025, with low failure rates. However, investors reviewed pay practices more carefully. When opposition occurred, it was usually due to concerns about one-off bonuses, weak links between pay and long-term performance, and weaknesses in long-term incentive plan structures, which is in line with **DPAM's voting policy.**



Important developments in 2025

Beyond individual voting results, several developments in 2025 raised wider concerns for investors, including DPAM, about the direction of corporate governance and ESG in the United States. These concerns were closely linked to growing political polarisation and its increasing influence on the proxy system.

One important development was the SEC's approval of an opt-in retail voting mechanism at ExxonMobil. **Under this programme, participating retail shareholders' votes may automatically follow management recommendations unless shareholders actively choose otherwise.** Given the large share of Exxon's free float held by retail investors, this mechanism could significantly affect voting outcomes. It has already triggered opposition from shareholder groups and legal challenges, highlighting broader questions about retail investor participation and the fairness of the proxy process.

At the same time, the SEC introduced another change that further strengthened companies' ability to control what reaches a shareholder vote. **In November 2025, the SEC clarified an approach allowing companies to exclude a wider range of shareholder proposals from proxy materials without prior SEC review.** This reduced the administrative hurdle for boards to block certain governance, climate and social proposals. Together with the ExxonMobil voting mechanism, this change increased investor concern about the overall balance of power within the US proxy system.



As a result, attention turned more broadly to how voting rights are exercised and who ultimately holds influence. In this context, pass-through voting – a system in which asset managers allow the underlying investors in their funds (such as pension funds or individual savers) to directly determine or influence how shares are voted at company shareholder meetings, rather than voting centrally on their behalf – became a central topic of debate. Supporters argue that it can improve accountability by giving asset owners more direct control over how their shares are voted. However, critics warn that it could weaken engagement and create fragmented voting signals, particularly if voting decisions become separated from in-depth investment analysis. Rather than being widely accepted as a solution, pass-through voting reflected deeper uncertainty about the design of the proxy system itself.

Some investors also suggested that pass-through voting could allow asset managers to reduce political and legal pressure on their firms. By letting end investors decide how shares are voted, asset managers can argue that they are no longer personally responsible for voting choices, particularly on ESG issues. This concern became more relevant following the SEC’s early 2025 updates to ownership disclosure rules under Section 13D. In practice, these SEC changes mean that large investors holding more than 5% of a company’s shares may have to publicly report their actions if they are seen as actively pushing companies to change policies, including on ESG matters. This increases scrutiny, paperwork, and legal risk, making some asset managers more cautious about strong engagement or coordinated voting.

Regulatory pressure did not stop with asset managers. Towards the end of 2025, attention shifted to proxy advisory firms. On December 11, 2025, a presidential Executive Order directed federal agencies, including the SEC, the Federal Trade Commission and the Department of Labor, to review proxy advisory practices. The order called for stronger oversight, greater transparency and the possible registration of proxy advisors under the Investment Advisers Act. It also asked agencies to assess whether voting advice that includes environmental, social or diversity factors aligns with fiduciary duties.

The Executive Order, entitled ‘Protecting American Investors From Foreign-Owned and Politically Motivated Proxy Advisors,’ argued that proxy advisors hold excessive influence over corporate governance, executive pay and shareholder voting, including retirement assets. It described ESG and DEI-related recommendations as politically driven rather than financially focused, pointing to support for proposals on climate targets, racial equity audits and board diversity. The order also instructed the SEC to review and potentially revise existing rules related to proxy advisors and shareholder proposals, including Rule 14a-8. Any tightening of Rule 14a-8 could make it harder for shareholders to submit proposals, particularly affecting minority and long-term investors and limiting their ability to raise emerging risks or request improved disclosure.

From an ESG and corporate governance perspective, these developments marked a further step in the politicisation of shareholder rights in the United States. Proxy advisors play an important role in reducing information gaps and supporting effective investor oversight, especially in companies with widely spread ownership. Treating ESG and DEI issues as purely political ignores the growing recognition among investors, regulators and courts that factors such as climate risk, workforce management and board composition can have clear financial impacts.



Shareholder proposals

After several years of elevated activity, shareholder proposal volumes declined sharply in 2025. This decrease was driven mainly by fewer environmental and social (E&S) proposals reaching company ballots, following changes in SEC guidance under Rule 14a-8 that made it easier for issuers to exclude proposals viewed as ordinary business matters or lacking a clear link to financial materiality. As a result, many E&S proposals were withdrawn, omitted, or not resubmitted, leading to a significant reduction in the overall number of proposals voted on. Among those that did reach ballots, average support levels were generally lower than in prior years.

Climate-related shareholder proposals remained the largest E&S category, but investor support became more selective. Concerns about repetition, feasibility, and ongoing regulatory uncertainty weighed on voting outcomes.

One E&S topic, however, stood out as an exception: political spending transparency. All environmental and social proposals that achieved majority support in 2025 focused on the disclosure of political contributions or lobbying activities, rather than climate targets or broader social policies. This trend highlights the extent to which investors increasingly view certain E&S issues through a governance and risk oversight lens.

Governance shareholder proposals, which have historically attracted stronger backing, represented a larger share of those brought to a vote in 2025.

Governance-focused shareholder proposals continued to generate the most consistent support, particularly those aimed at strengthening shareholder rights and accountability, such as eliminating supermajority voting requirements, declassifying boards, and improving shareholder meeting and voting procedures.

At the same time, anti-ESG proposals increased for the fourth consecutive year, reflecting heightened political polarisation. These proposals attracted minimal shareholder support and overwhelmingly failed to secure meaningful vote levels. Nevertheless, their growing presence contributed to a more polarised proxy season and mechanically reduced overall E&S support statistics.

During the 2025 US proxy season, DPAM voted on 200 shareholder proposals, of which 51 proposals (25.5%) were anti-ESG in nature. This included 28 environmental proposals, 84 governance-related proposals (including compensation matters), and 88 social proposals, of which 41 were anti-ESG shareholder proposals.

The strong concentration of anti-ESG shareholder proposals within the social category reflects the broader politicisation of social issues in the United States. Topics such as DEI, human capital management, and social policy have increasingly become focal points of political debate, making them more visible and more frequently targeted than environmental or governance matters. This trend suggests that anti-ESG proponents are less focused on traditional shareholder value considerations and more driven by ideological opposition to socially oriented corporate practices, particularly in a highly polarised political and regulatory environment.



Focus on Europe

The 2025 proxy season in Europe unfolded during a period of adjustment and recalibration, marked by heightened regulatory volatility and a renewed political focus on simplification and competitiveness. Central to the season was a shift in the European regulatory narrative, as EU institutions advanced a series of Omnibus packages aimed at easing regulatory burdens, while delaying and narrowing the scope of several sustainability requirements under frameworks such as the CSRD, CSDDD and SFDR. Proposed changes to sustainability reporting timelines and thresholds were particularly influential, contributing to a more uncertain and evolving regulatory environment.

Several rules were postponed or revised, and debates continued throughout the year. This uncertainty complicated planning for companies and raised a key question for investors: whether boards would continue to uphold strong governance and sustainability standards as regulatory pressure eased. Many companies chose to proceed regardless, publishing sustainability reports broadly aligned with emerging EU standards and seeking external assurance. Auditors generally accepted these reports but often highlighted limitations or areas requiring further attention, reflecting a market in transition, where progress continued, but with some friction, and where resilience increasingly emerged as a core imperative beyond mere regulatory compliance.



Management proposals

Executive pay remained the main area of shareholder opposition across European markets in 2025. While most pay proposals still received high approval, investors increasingly voted against them when boards failed to respond to earlier shareholder feedback or when disclosures were unclear or incomplete, despite existing regulatory requirements. Importantly, investors did not focus only on past performance. They were also more willing to challenge proposed future pay structures, showing a more forward-looking effort to influence how remuneration is designed before it is implemented.

One repeated issue were pay increases justified by 'competitiveness'. Boards often argued that higher pay was necessary to attract and retain talent, particularly in comparison with US companies or within sectors such as banking. While investors generally accepted this argument in principle, their support depended on strong alignment between pay and performance, as well as clear and transparent disclosure. **In assessing such cases, DPAM focuses on whether remuneration is reasonable and proportionate, aligned with long-term company performance, appropriately benchmarked against relevant peers, and structured to reward measurable results rather than simply following market trends, with a strong emphasis on transparency.**

Alongside executive pay, shareholder rights and capital management attracted greater attention. Across markets, investors increasingly pushed back against broad or repeated requests to issue new shares, especially when justifications were vague or protections against dilution seemed weak. This reflected a wider trend during the season: investors continued to support growth and strategic flexibility, but not at the cost of fairness or transparency.

Director elections were generally less controversial than in previous years, suggesting gradual improvement in some markets. However, continued opposition in parts of Western Europe showed that concerns about board independence, structure and local governance standards have not yet been fully resolved.



Environmental and social topics produced fewer high-profile votes, but the underlying trends became more complex. Most European companies moved forward with sustainability reporting in line with new EU requirements, even where national rules had not yet been fully implemented. Auditors usually accepted these disclosures while noting limitations in the first year of reporting, highlighting that the framework is still developing.

In this context, Say on Climate votes remained limited in number but stable in importance. Only a small group of companies asked shareholders to approve climate transition plans, yet support levels stayed high. France continued to lead this activity, particularly in the real estate sector. This suggests that when companies put forward well-developed and credible plans, investors are generally supportive.

However, DPAM's own voting experience in 2025 reflected several ongoing weaknesses. DPAM voted on ten Say on Climate resolutions in Europe and did not support most of them. Key reasons included the lack of a clear link between executive pay and climate targets, which DPAM considers financially important. We expect climate goals to be explicitly included in compensation structures without weakening other performance measures. In addition, many companies failed to provide clear data on how they plan to reduce emissions and the related costs. Financial statements did not sufficiently reflect material climate-related impacts or the effects of a Paris-aligned scenario, and audit reports did not show that auditors had properly assessed climate risks. Further concerns included limited transparency on how new board appointments strengthen climate expertise, the absence of validated Science-Based Targets, and weak performance against the CA100+ Net Zero Benchmark.

At the same time, artificial intelligence governance emerged as a new focus area. Although only a small number of large European companies currently have formal AI policies, more issuers began to recognise AI-related risks and the need for board-level oversight. With the EU AI Act introducing the possibility of significant penalties, investors increasingly see AI as a governance and risk management issue rather than just a technology topic. While still at an early stage, AI governance is clearly becoming part of stewardship discussions.

Finally, the proxy season saw early conversations among some European asset owners about pass-through voting as a possible way to better align voting outcomes with stewardship policies in pooled investment structures. This interest has been driven by concerns about influence and alignment when voting rights are exercised by large asset managers. However, the debate remains cautious. Observers pointed to operational challenges and the risk that scattered voting decisions could weaken collective shareholder influence and engagement. As a result, pass-through voting is still an emerging and debated concept in Europe rather than a common practice.



Shareholder proposals

Unlike the United States, shareholder proposals have never been the dominant mechanism for investor influence in Europe. The 2025 proxy season reaffirmed this structural distinction: while shareholder proposals remained relatively rare in comparison with the United States (DPAM voted on 53 shareholders proposals in Europe versus 200 in the United States), investor influence continued to be exercised primarily through votes on management proposals, particularly remuneration, capital issuance and board elections.

This difference reflects Europe's legal and governance architecture, where shareholders already benefit from mandatory votes on key governance matters, reducing the need for proposal driven activism.

Environmental and social shareholder proposals did appear in Europe in 2025, but they remained episodic rather than systemic.

Where proposals were submitted, they often focused on:

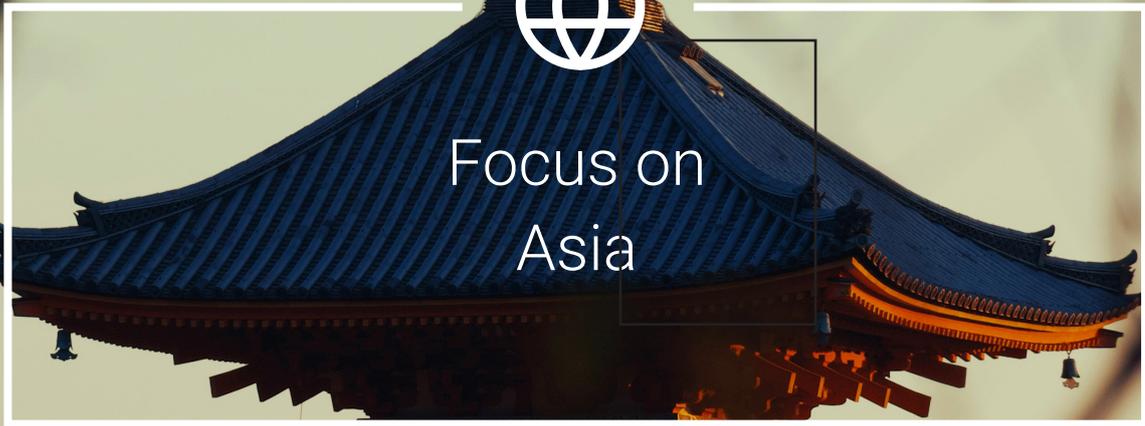
- climate transition plans,
- biodiversity or environmental impact,
- human rights or supply chain due diligence.

However, support levels were highly variable and strongly dependent on local context, sector exposure and existing disclosure quality. In many cases, investors opted to express views through Say on Climate votes or engagement, rather than through shareholder-initiated resolutions.

Governance-related shareholder proposals, such as those addressing shareholder rights, voting mechanics or board structures, were also less common than in the US. Where they did arise, they tended to reflect market-specific governance debates, for example:

- voting structure concerns,
- meeting format and shareholder access,
- or capital structure issues.

Importantly, many governance topics that would require shareholder proposals in the US are already embedded in European voting frameworks, limiting the need for additional resolutions.



Focus on
Asia



Management proposals

China

China's 2025 proxy season was characterised by limited shareholder opposition and a continued reliance on regulatory reform as the main driver of governance change. Overall, developments highlighted a market where governance progress is shaped largely by laws, regulations and supervisory guidance. Shareholders continue to play a mostly formal and restricted role in company decision-making, rather than influencing outcomes through voting.

A central feature of the season was the continued rollout of China's revised Company Law and related regulatory measures, which are reshaping board structures at listed companies. Regulators confirmed the removal of supervisory boards and introduced new requirements for employee representatives to sit on company boards. This signalled a shift away from the traditional two-tier oversight model towards a more unified board structure. While these reforms aim to improve clarity around accountability, they also raise investor concerns about board independence, the quality of oversight and the balance between shareholder and stakeholder interests. Many listed companies are now adjusting their governance structures to meet these new requirements.

Given this environment, DPAM focused its engagement efforts on key board-level governance topics during the 2025 proxy season. These included board independence and the separation of CEO and Chair roles. With shareholder voting influence remaining limited, direct engagement on governance structures continues to be another way to promote accountability in the Chinese market.

At the same time, capital allocation and corporate restructuring became major themes on company agendas. Shareholders were asked to vote on mergers, asset sales and reorganisations, supported by regulatory changes and policy signals aimed at improving balance sheets and capital efficiency. From an investor viewpoint, this reflects wider government efforts to address weak performance and financial pressure in parts of the market. However, it also highlights the narrow space for shareholder-driven challenges, as strategic decisions are often guided more by policy priorities than by investor pressure.

Sustainability issues appeared mainly through new regulatory disclosure requirements rather than through shareholder proposals or contested votes. Authorities introduced fresh guidance on sustainability reporting and released draft climate disclosure standards as part of a longer-term plan to standardise non-financial reporting. Unlike in many Western markets, sustainability did not become a key area of shareholder opposition or debate. Instead, environmental and social expectations continue to be enforced mainly through regulation, which limits the role of shareholder voting in shaping sustainability strategy.

For ESG-focused investors, this points to a clear structural constraint. While sustainability disclosure is expanding, the ability to influence real sustainability outcomes in China remains largely determined by regulatory frameworks rather than shareholder action.



Japan

Japan's 2025 proxy season represented a further milestone in the country's ongoing governance reform, coinciding with ten years since the introduction of the Corporate Governance Code. The focus continued to move beyond formal compliance towards demonstrable governance outcomes, particularly in the areas of capital efficiency, board accountability and overall board effectiveness.

Capital management remained the primary area of investor scrutiny. Boards faced sustained pressure to explain balance sheet structures, cross-shareholdings and capital allocation decisions. Companies perceived as slow to address inefficiencies or unresponsive to shareholder feedback encountered increased dissent, most notably in director elections. This reinforced the expectation that boards play an active role in overseeing capital strategy rather than merely endorsing management proposals.

Director elections generally received strong support, but where governance concerns existed, voting outcomes were more challenging. Directors at companies associated with governance failures, weak shareholder responsiveness or reputational issues faced meaningful opposition, reflecting investors' growing readiness to use director votes as a tool for accountability. Several high-profile meetings during the season also highlighted concerns about board oversight of human rights, misconduct and corporate culture, reinforcing the link between governance quality and long-term value protection.

Transparency and disclosure practices continued to improve. Many Japanese companies released meeting materials earlier and expanded English-language disclosures, responding to sustained regulatory and investor pressure to improve access for international shareholders and enhance the quality of shareholder engagement.



India

India's 2025 proxy season showed a market where shareholder voting continues to matter, but within a governance system that is becoming more complex and heavily shaped by regulation. **The season featured stronger investor focus on board independence and executive pay, alongside ongoing regulatory changes to approval thresholds and disclosure rules.** Rather than pointing to a rise in shareholder activism, these trends highlighted how regulatory design continues to influence the limits and effectiveness of shareholder oversight.

Board structure and independence were major areas of attention. The full enforcement of term limits for independent directors in 2025 led to widespread board changes. While these rules were intended to strengthen independence, the transition revealed structural issues. Many newly appointed independent directors had previous professional, business or promoter-linked relationships. As a result, investors looked beyond formal independence labels and focused more on the real quality of independence. This included reviewing attendance records, committee responsibilities and how effectively boards provide oversight in companies with concentrated ownership. For many shareholders, director elections remained the main way to raise governance concerns.

At the same time, executive appointments and pay practices continued to face close scrutiny. Investors increasingly expected clearer and more detailed disclosure showing how compensation links to company performance, strategic goals and risk management. When this information was seen as weak or poorly aligned, proposals attracted higher levels of opposition. This focus reflects wider concerns about governance credibility in a market where promoter influence is still strong and pay decisions may be shaped more by control structures than by truly independent boards.



Shareholder proposals

Japan

Unlike China and India, Japan continued to see robust shareholder activism, with proposals spanning governance reform, board composition, capital allocation and, increasingly, social and human capital issues. While support levels for shareholder proposals remained modest overall, activism played an important signalling role and influenced off-ballot engagement and post-meeting governance changes.

China and India

Shareholder proposals played a very limited role in India's 2025 proxy season, and they are not a meaningful mechanism for shareholder influence in China. In both markets, legal, regulatory and procedural constraints significantly limit the ability of shareholders, particularly minority shareholders, to bring proposals to a vote.

As a result, shareholder-initiated resolutions remained exceptional rather than routine, and proxy season agendas in both countries were dominated by management-sponsored proposals.



II. 2026: What to expect?



The United States

Looking ahead to 2026, much of the activity around shareholder voting is expected to take place before proposals even reach the ballot. Companies are increasingly using challenges to the shareholder proposal process, stricter interpretations of the rules, and procedural tools to limit what can be put to a vote. As a result, investors may spend as much time protecting access to the ballot as debating the proposals themselves.

This represents an important shift in how stewardship is carried out. Fewer proposals are likely to reach annual meetings, with more engagement and escalation happening outside the AGM process rather than through formal voting.

At the same time, it is expected that climate disclosure in the United States will remain shaped by legal and regulatory uncertainty rather than by a single, stable federal framework. The SEC's climate rules adopted in March 2024 were challenged in court and later paused while the SEC reconsidered its position. Meanwhile, the SEC's earlier 2010 climate guidance continues to apply.

In this environment, investors are likely to place greater emphasis on whether boards show strong oversight of material climate risks and robust disclosure controls. There will be less reliance on standardised federal disclosure rules and more focus on company-specific governance quality.

For 2026, diversity and board composition are also expected to remain voting topics, but with more uneven disclosure and higher legal sensitivity. Many companies have reduced the use of explicit 'DEI' language and detailed demographic information, even though some disclosure requirements still apply under SEC rules.

As a result, investors may increasingly focus on other indicators of board quality. These include board renewal and skills, evidence of fair and well-run nomination processes, and the strength of human capital oversight, rather than expecting consistent demographic reporting across all companies.

Executive pay scrutiny is also set to continue in 2026, but in a more detailed and targeted way. Investors are maintaining pressure on companies to respond meaningfully when say-on-pay votes receive low support. Attention is also growing around equity plan design, including features and limits intended to reduce legal risk, particularly in relation to director pay.

In addition, compensation committees are under continued pressure to provide clear and useful explanations when they adjust performance targets or use discretion in pay outcomes, especially during periods of economic volatility.



Europe

The European proxy season in 2026 is expected to move from a period of regulatory change toward more consistent enforcement of existing governance and disclosure standards. Rather than introducing many new voting themes, outcomes are likely to be shaped by stricter application of current expectations. This will be particularly important where companies fail to show strong board oversight, high-quality disclosure or meaningful responses to shareholder concerns.

As a result, investor attention is expected to focus more on how boards and committees operate in practice, rather than on formal structures alone. Shareholders will look closely at the presence and independence of key committees, especially audit and remuneration committees, as well as clear leadership and accountability within those groups. Investors will also expect evidence that boards have acted on past governance issues. When companies do not meet these expectations, negative votes are increasingly likely to target committee chairs or senior directors instead of the full board.

Executive pay is also set to remain one of the most debated items on European ballots in 2026. Updated guidance from proxy advisors points to more structured reviews of how pay links to performance, while still allowing for a flexible, case-by-case assessment rather than strict formulas. Opposition is most likely when companies rely too heavily on qualitative or non-financial targets without clear financial reasoning, fail to properly explain pay increases or changes in structure, or ignore earlier shareholder feedback. In this way, pay votes are expected to continue to act as a key tool for escalating wider governance or performance concerns.

Environmental and social matters are likely to be considered mainly from a governance perspective rather than through separate thematic votes. Proxy advisor guidance increasingly treats weak oversight of environmental or social risks as a governance issue, which can affect director elections and committee accountability. Instead of leading to more shareholder proposals, this approach strengthens the trend of embedding ESG considerations within board oversight, risk management and disclosure practices.



Asia

China

China's 2026 proxy season is expected to be driven mainly by governance implementation deadlines rather than by higher levels of shareholder opposition. The most important change is the move away from the traditional supervisory board structure. Listed companies are required to transfer oversight duties to board-level audit committees and update their governing documents to reflect this shift.

As a result, many companies are likely to include more agenda items at their annual meetings related to changes in articles of association, committee structures, and related director or committee appointments. These proposals will reflect efforts to comply with the revised Company Law and supporting guidance from the China Securities Regulatory Commission (CSRC).

Alongside these structural changes, investors are expected to continue focusing on how effective and independent boards are in a market dominated by controlling shareholders. Key areas of attention will include director attendance, true independence, conflicts of interest, and whether board members have the right skills for their committee roles. Because of this, director and committee elections that were previously routine may face closer scrutiny, particularly when disclosures are limited or governance practices appear weak.

Capital allocation and restructuring proposals are also likely to remain a major feature of 2026 agendas. Large asset restructurings and reorganisations have been encouraged by a more supportive regulatory environment and are expected to continue. For investors, the main focus will be less on the transaction itself and more on the quality of information provided. This includes the strategic purpose of the deal, how assets are valued, fairness protections, and safeguards for minority shareholders.

Sustainability reporting in China is expected to keep developing mainly through regulation and compliance rather than through shareholder-driven proposals. Regulators and stock exchanges are continuing to expand sustainability guidance and climate disclosure standards as part of a longer-term national framework. In voting terms, this is likely to lead investors to pay closer attention to the quality and completeness of sustainability disclosures. Where serious environmental or social incidents occur, focus may also shift to how well boards oversee these risks.



Japan

Japan's 2026 proxy season is expected to reflect heightened accountability and reduced investor tolerance for slow progress. Following a 2025 season marked by record levels of shareholder proposals and sustained focus on capital efficiency, investors are likely to continue pressing boards to demonstrate tangible improvements in value creation, governance credibility and transparency, rather than relying on stated intentions.

Board composition is expected to be a key pressure point. Major proxy advisor frameworks are tightening expectations around director independence and board diversity. In practical terms, boards that fail to refresh membership, address long tenures or demonstrate progress on diversity are more likely to face opposition in director elections.

Capital efficiency and strategic shareholding practices are expected to remain at the forefront of investor engagement. The Tokyo Stock Exchange has continued to urge companies, especially those perceived as inefficiently valued, to articulate credible capital management strategies and explain how they intend to improve market valuation. In 2026, investors are likely to assess voting decisions through this lens, using director elections and capital-related proposals as key mechanisms to reinforce accountability.

The background of the page is a close-up photograph of green leaves with numerous water droplets on their surfaces. The leaves are dark green and have serrated edges. The water droplets are clear and vary in size, reflecting light. The overall tone is a deep, moody green.

III. Voting activity 2025



DPAM exercised the voting rights attached to shares held in 77 institutional portfolios (SICAVs, FCPs, mandates) including their sub-funds managed by the company's management.

IVOX Glass Lewis GmbH (Ivox GL) assisted DPAM in executing proxy instructions and in analysing the proposals of the shareholder meetings' agendas, as referred to in the Voting Policy of DPAM.

Similarly referred to in the Voting Policy of DPAM, the materiality threshold to activate the voting instruction is such that the number of shares held in a specific company represents 0.5% of the AUM in one sub-fund and at least € 1 million. A quality check is carried out to ensure that DPAM votes in the companies in which it could be relevant shareholder in terms of cumulative positions but for which all individual shareholdings are systematically below the threshold.

Our voting activity has been historically concentrated primarily on the European and North American markets (United States and Canada). Since 2022, we decided to extend to the Asian continent, starting with China and Japan first, to reflect the increasing internationalisation of our investments. From 2024, we extended our voting coverage to South Korea, Singapore, the Philippines, and India.

To reconcile the long-term interests of shareholders and the inherent cost of voting, DPAM participated in general meetings when the minimum shareholding requirement, as defined in its voting policy, was reached. The Voting Policy defines the materiality threshold and target markets for DPAM's voting activity (see Voting Policy).



We took part in a total of 1,665 general and extraordinary meetings for a total of 19,953 resolutions. We made our voice heard in 1,257 companies mainly in Europe, followed by North America, Asia ex-Japan and finally Japan.

Most of the resolutions naturally came from the management. The proposals submitted by shareholders remain in the minority (1.5% of the total number of resolutions on which we have expressed an opinion).



Of the resolutions voted on, DPAM abstained in 5.04% of cases, reflecting our willingness to engage constructively while allowing companies time to adapt. We voted against 12.14% of resolutions, a higher proportion than last year. This increase was driven partly by a rise in anti-ESG shareholder proposals, as well as by the introduction of a case-by-case voting approach in our policy on climate and human rights risk management.

Following internal assessments and dashboarding tools to assess the performance of our investees on the principles of proper climate and human rights risk management, integrated accounting, aligned remuneration and executive oversight and accountability, case-by-case voting escalation actions were taken such as voting against the chairman, directors, accounts and remuneration.



Voting instructions are given in accordance with DPAM's active voting policy, adopted in February 2019, which is annually revised by the Voting Advisory Board (notably during 2025 to incorporate best practice and the latest regulatory developments) to reflect the latest regulatory developments and governance best practices.

In line with our 'Active, Sustainable, Research' positioning, our voting policy explicitly includes rules allowing certain agenda items to be assessed on a case-by-case basis by our voting committee. This approach, set within our policy guidelines, preserves our ability to critically analyse specific situations and, where appropriate, to give companies a reasonable period to adapt to our commitments and expectations.

Consequently, as explicitly permitted by our voting policy guidelines, DPAM applied a case-by-case approach in 5.14% of the total resolutions on which we voted. These were primarily resolutions on the appointment or re-election of directors, due to lack of independence of the board of directors, where we had entered into dialogue and to which we had allowed a certain amount of time to adapt. Capital increases through the issue of new shares or convertibles or in kind are also subject to an in-depth study on a case-by-case basis, considering the specificities of the economic sector in question (common practice of listed real estate companies, for example). Another topic is the advisory vote on executive compensation as we have opted for a dialogue process in the first year to promote best practice. Finally, the case-by-case voting rule on climate and human rights risk management, where DPAM evaluates investees on climate and human rights risk management, integrated accounting, aligned remuneration, and executive accountability, and based on these evaluations, targeted voting actions, such as voting against chairpersons, directors, accounts, or remuneration policies, are taken to drive accountability.

Other proposals involve shareholder resolutions on ESG topics, which we did not support systematically, as many were initiated by anti-ESG shareholders.

Most of the agenda items remain very standard, and were, for example, mainly composed of items relating to the Board of Directors, audit and financial results, the remuneration of executive functions and capital management.

We supported management proposals in nearly 82.28% of cases but voted against their recommendations in 11.92% of cases. At companies where we had raised concerns, in 2024, on either: the independence of the board, the remuneration report and policy, compliance with the one-share one-vote one-dividend standard, the Say-on-Climate plan and progress and CEO/Chairman separation, and where our apprehensions were not considered in their decision-making process, we voted against relevant agenda items in 2025.

We support shareholder proposals in nearly 67.46% of cases but voted against their resolutions in 26.21% of cases. Most shareholder proposals we voted against were anti-ESG proposals. One example was the shareholder proposal calling for Microsoft to lower cooperation with European regulatory and cyber-safety institutions and expressing scepticism about efforts to counter hate speech, cybercrime, or harmful content, by framing such efforts as threats to 'legitimate speech'.



Management proposals focus

The breakdown in terms of key management proposals' topics



19,644 proposals

We voted on 309 proposals coming from shareholders.



98.5% of the total

These 19,644 proposals represent 98.5% of the total proposals on which we voted.



Compensation proposals, representing 13% of total management proposals. We voted in favour of 72% of these proposals. When a company's compensation policy or remuneration report does not meet DPAM's requirements and market best practice, DPAM may vote abstain in the first year and engage with the company to encourage improvements. This approach allows the company time to adapt. If, by the second year, the company has still not aligned its remuneration policy or report with these expectations, DPAM will vote against the proposal.



Other proposals including environmental and social proposals, representing 2.8% of total management proposals. We voted in favour of 78% of these proposals. DPAM's voting decisions are based on our internal analysis of the company's human rights and climate-related risks, as well as on the outcomes of our previous engagements with the company.



Audit/Financial proposals, representing 19.3% of total management proposals. We voted in favour of 97% of these proposals.



Board related, representing 42% of total management proposals. We voted in favour of 77% of these proposals. For board-related topics such as director independence and the separation of CEO and Chair roles, DPAM follows specific voting rules set out in its voting policy. Regarding board independence, DPAM will generally abstain from voting in the first year when requirements are not met and engage with the company to allow time for improvement. If the company has not adapted by the second year, DPAM will vote against. In contrast, for the separation of CEO and Chair roles, DPAM will vote against from the first year and engage with the company to encourage a clear separation of these positions.



Changes to company statutes, representing 6.8% of total management proposals. We voted in favour of 92% of these proposals.



Shareholder proposals focus

The breakdown in terms of shareholder proposals' topics included



309 proposals

We voted on 309 proposals coming from shareholders.



1.5% of the total

These 309 proposals represent 1.5% of the total proposals on which we voted.



Compensation SHPs, representing 13.6% of total SHPs. We voted in favour of 79% of these proposals. These proposals tend to request companies to include ESG metrics in the short-term or long-term incentive plan of directors and executives. They also request the company to consider employee salaries when setting executive compensation and to report on the details of executive remuneration to examine the fairness of the remuneration plan and to ensure the absence of a gender or race based pay gap.



Environment SHPs, representing 13.3% of total SHPs. We voted in favour of 85% of these proposals. These shareholder proposals include requests to companies to align with the Paris Agreement and net zero by 2050 or sooner and to disclose and reduce their Scope 3 emissions.



Governance SHPs, representing 42.4% of total SHPs. We voted in favour of 69% of these proposals. Proposals regarding the election of some candidates and the independent chair of the board of directors are very common.



Social SHPs, representing 28.5% of total SHPs. We voted in favour of 56% of these proposals. These proposals include requests to issue gender and racial equity audit reports and conduct independent verification of compliance with labour and human rights standards.



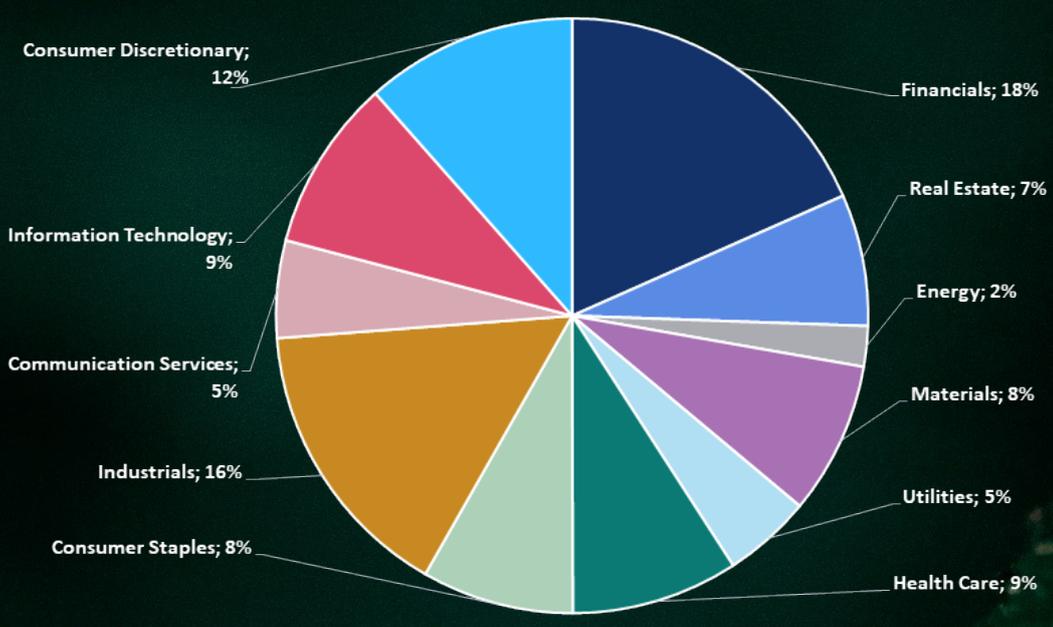
The remaining shareholder proposals that we voted against, were almost all anti-ESG shareholder proposals.



Breakdown of DPAM voting activity

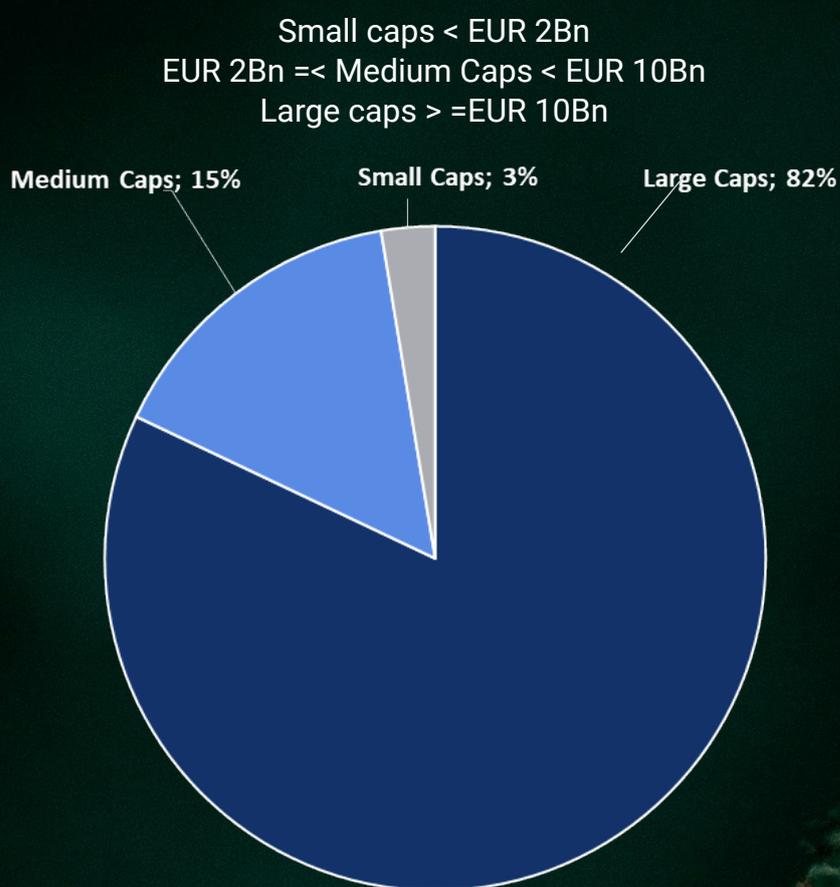
DPAM's voting activities covered most business sectors. The five main sectors being Industrials, Financials, Real Estate, Consumer Discretionary and Health Care which together cover over 80% of the companies in which we voted.

Shareholder meeting participation – sector breakdown



Source: Glass Lewis, DPAM – 31.12.2025

Shareholder meeting participation - breakdown by market capitalisation



Source: Glass Lewis, DPAM – 31.12.2025



Dialogue and engagement

Stewardship remained a high priority in 2025 for DPAM, whether it was collaborative, individual engagement or less formal dialogue with companies.

In 2025, DPAM has systematically engaged with all companies for which we voted 'Abstain' or 'Against' on the 6 topics listed below.



In 2025, DPAM sent **441 letters** (versus 312 in 2024)

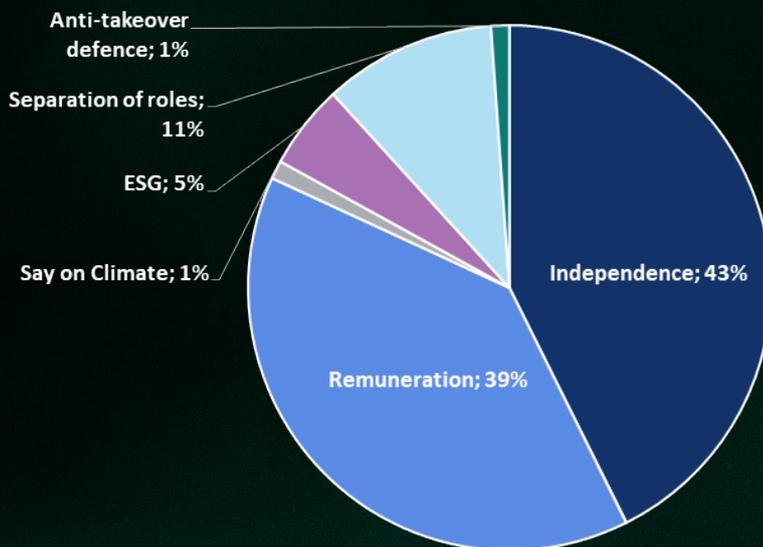


To **344 companies** (versus 227 in 2024)



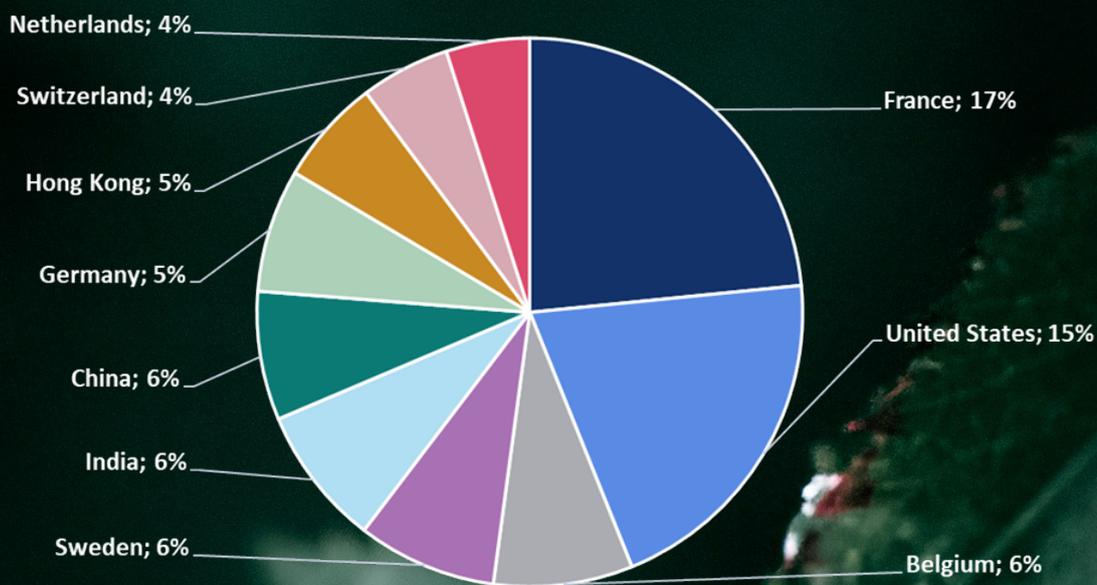
We received **80 answers** of which 69 % were willing to have an in-depth engagement on the topic.

Breakdown of engaged dialogues with companies by topic



Source: Glass Lewis, DPAM – 31.12.2025

Geographic breakdown of the top 10 engaged dialogues with companies



Source: Glass Lewis, DPAM – 31.12.2025



Our commitment topics

The transparency of our voting intentions reflects our desire to be transparent at every level of our sustainable offer. Our commitment topics have been defined within our Voting Advisory Board (VAB) to focus on key corporate governance issues. There are six of these:



The independence of the Board of Directors is not guaranteed due to a lack of balance between independent and non-independent members. DPAM may abstain from voting in favour and encourages the company to improve the degree of independence of its board of directors and its committees.



We systematically vote against combining the roles of CEO and Chairman of the Board of Directors.



Anti-takeover devices (poison pills). DPAM rejects every initiative that could hinder the rights of minority shareholders.



Multiple voting rights: as a strong supporter of the 'one share, one vote, one dividend' principle, we oppose any attempt to limit this principle.



Transparency of the remuneration report for executive functions, in line with best practices which require, among them, clear and quantified parameters for the determination of variables (performance objectives, qualitative criteria, etc.) over a medium-term horizon, a clawback clause (clawback/malus system on bonuses awarded) and specific conditions for the remuneration of board members for their non-board activities/services. DPAM may abstain from voting in favour of any initiative that could go against the shareholders' interest, such as a re-pricing option in the event of a change of control that could discourage potential acquirers from making a bid for the company.



Climate change, to share what we consider as best practices regarding policy and reporting and to assist companies to adopt those progressively.

The remuneration of executives and board independence were the dominant topics of engagement.



Key engagements include:

We do not claim that DPAM was the sole driver of change in these engagements. In many cases, other investors also contacted the same companies on the topics mentioned above, and several companies confirmed that they had received similar requests and feedback from multiple stakeholders.



As a result of these collective engagement efforts, some companies decided to implement concrete improvements. These included strengthening independence requirements within their governance policies, introducing or reinforcing remuneration-related criteria, and adopting more transparent remuneration frameworks. In several instances, companies also moved towards a clearer separation of roles by splitting the positions of Chief Executive Officer and Chair of the Board.

Other engagements did not immediately lead to policy changes but **helped clarify certain misunderstandings or areas** where company policies had previously been unclear. Following these discussions, some companies provided additional explanations or updated disclosures to ensure better transparency. In a few cases, companies also highlighted **local regulatory constraints** that DPAM had not initially been aware of, explaining that these regulations limited their flexibility to implement certain changes. In such situations, DPAM adjusted its expectations and approach accordingly.

Finally, some companies indicated that they would share DPAM's feedback internally with senior management and relevant decision-makers. These companies emphasised that further internal discussions would be necessary before determining whether and how to implement the suggested improvements.



IV. DPAM as a responsible player





DPAM as a responsible player

DPAM, with its origins in 1871, is part of the Indosuez Wealth Management Group. DPAM provides active, sustainable asset management services, driven by in-house research. Our conviction-based investment decision processes integrate fundamental financial and ESG analysis. At DPAM we advance to thrive, aiming for long-term outperformance and growth that benefits investors and society.

DPAM is committed to the United Nations Principles for Responsible Investment (UN PRI), becoming a signatory in 2011. The UN PRI foster the integration of ESG in investment management decision processes. By signing up to this initiative, we committed to adopt and implement the six key principles of the UN PRI, demonstrating our dedication to the integration of ESG criteria in investment decision making¹.



Taking part in shareholder meetings is a tenet of our social responsibility.

It is an efficient way of showing our commitment to a more sustainable financial industry, to advocate for sustainable growth and a long-term risk management approach. General meetings are a good venue for the exchange of ideas between shareholders and company executives and allow well-informed investors to address specific issues in a more detailed way, or to raise pertinent questions.



By adopting this approach, DPAM advocates a vision that shows greater respect for society and the environment in the long term. As investment horizons constantly become shorter, it is important to put the shareholder at the heart of the company as a co-owner, allowing the shareholder to place longevity above short-term profit.

Shareholder involvement, taking the form of engagement, voting at shareholder meetings and/or entering into engaged dialogue with a company, are management tools that investors should fully embrace in order to better assess global risks, uphold values and best practices, and, in doing so, contribute to more sustainable companies. It is a long-term process, which, due to the snowball effect - provided it is well-structured - creates added value for companies and enhances their performance as well as the long-term viability of investments.

Therefore, we believe it to be essential that our voting policy covers our full investment fund range, to bring together our voting rights and to make our voice heard in a manner that is in line with our investment and participation levels.

¹DPAM's PRI scores are generated via an annual PRI assessment based on signatories self-reported information. Please read more about the PRI's 2025 reporting framework [here](#).



V. Voting Advisory Board



Voting Advisory Board

Votes were cast in accordance with the 2024 Voting Policy adopted by DPAM and DPAS and steered by the Voting Advisory Board (VAB) in February 2024.

IVOX Glass Lewis GmbH (Ivox GL) assists DPAM in executing proxy instructions and in analysing the proposals of shareholder meetings' agendas, as referred to in the Voting Policy of DPAM.

The VAB consists of seven internal members and three external members.

The internal members, for the year 2025, were:



Marie Petit
Principal
legal advisor



Ophélie Mortier
Chief Sustainable
Investment Officer



Philippe Deneff
CIO Quantitative Equity &
Asymmetric Management



Peter De Coensel
Chairman of the DPAM
Management Board, CEO
DPAM



Tom Demaecker
Senior Fundamental
Equity Portfolio Manager



Johan Van Geeteruyen
CIO Fundamental Equity



Lina Arrifi
RI
Specialist

In 2025, one external member was on the board, to share their experience and expertise in terms of corporate governance.

Dominique Liénart
Independent member

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